

Message Text

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ACTION ARA-20

INFO OCT-01 IO-13 ADP-00 AGR-20 CEA-02 CIAE-00 COME-00

DODE-00 EB-11 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-03 RSC-01 AID-20 CIEP-02 SS-15

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 OMB-01 RSR-01

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R 281100Z AUG 73

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 9388

INFO USMISSION GENEVA

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DEPT PLEASE PASS TO ALL ARA DIPLOMATIC POSTS

E. O. 11652: N/A

TAGS: ETRD, CECLA, GATT, BR

SUBJECT: CECLA MEETING: STATEMENT OF TRADE NEGOTIATIONS

1. FOLLOWING IS SUMMARY OF DECLARATION ISSUED BY 14 COUNTRIES PARTICIPATING IN CECLA MEETING WHICH ENDED EARLY HOURS OF AUGUST 25. DECLARATION TAKES FORM OF STATEMENT OF PRINCIPAL OBJECTIVES OF LATIN AMERICAN COUNTRIES FOR THE GATT MEETING IN TOKYO IN SEPTEMBER.

2. INTRODUCTORY SECTION OF THE DECLARATION EXPRESSES CONCERN THAT THE INTERESTS OF LDCS, ESPECIALLY LATIN AMERICA, WERE SIDELINED DURING THE PREPARATORY STAGE FOR THE GATT NEGOTIATIONS AND STATES THAT, "ONCE AGAIN, THE LEGITIMATE ASPIRATIONS OF DEVELOPING COUNTRIES RUN THE RISK OF BEING ABANDONED".

THE NINE OBJECTIVES CONTAINED IN THE STATEMENT ARE AS FOLLOWS:

A) IT IS NECESSARY THAT THE NEGOTIATIONS ESTABLISH A NEW AND MORE JUST INTERNATIONAL DIVISION OF LABOR, FOR DEVELOPING COUNTRIES AS MUCH AS FOR THOSE ALREADY DEVELOPED.

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B) ONE OF THE FUNDAMENTAL OBJECTIVES OF THE NEGOTIATIONS

SHOULD BE TO CREATE CONDITIONS TO PERMIT DEVELOPING COUNTRIES A LARGER RELATIVE PARTICIPATION IN WORLD TRADE.

C) THE PRINCIPLE OF NON-RECIPROCITY SHOULD APPLY IN ALL ASPECTS OF NEGOTIATIONS BETWEEN DEVELOPED COUNTRY AND DEVELOPING COUNTRIES, MEMBERS OF NON-MEMBERS OF THE GATT. EACH DEVELOPING COUNTRY WILL CONTRIBUTE TO THE NEGOTIATIONS ACCORDING TO ITS OWN DEVELOPMENT NECESSITIES, ITS FINANCES AND ITS TRADE.

D) THE APPLICATION OF DIFFERENTIAL METHODS FOR DEVELOPING COUNTRIES, ACCORDING TO MODALITIES WHICH GIVE THEM SPECIAL AND MORE FAVORABLE TREATMENT, SHOULD CONTEMPLATE PREFERENTIAL TREATMENT IN THE DIFFERENT AREAS OF THE TRADE NEGOTIATIONS.

E) ANY IMPROVEMENT OR REFORM OF THE WORLD TRADING SYSTEM SHOULD ESTABLISH NEW RULES BENEFITING DEVELOPING COUNTRIES.

F) THE SYSTEM OF GENERALIZED PREFERENCES SHOULD BE PRESERVED, APPLIED AND CONSOLIDATED. ANY EROSION THAT RESULTS FROM THE NEGOTIATIONS SHOULD BE ADEQUATELY COMPENSATED BY THE DEVELOPED COUNTRIES THAT HAVE ESTABLISHED PREFERENCE SCHEMES.

G) SPECIAL ATTENTION SHOULD BE GIVEN TO THE LEAST DEVELOPED AND LAND-LOCKED LDC'S GRANTING THEM SPECIAL ADDITIONAL BENEFITS IN THE CONTEXT OF ANY MEASURES ADOPTED DURING THE NEGOTIATIONS IN FAVOR OF DEVELOPING COUNTRIES.

H) THE RECOGNIZED CONNECTION BETWEEN TRADE PROBLEMS AND A NEW INTERNATIONAL MONETARY SYSTEM MAKES IT NECESSARY TO CONSIDER THE INTERESTS AND SPECIAL PROBLEMS OF DEVELOPING COUNTRIES IN THE FINANCIAL AS WELL AS THE TRADE AREA.

I) THE WEAK ECONOMIC STRUCTURE OF DEVELOPING COUNTRIES LIMITS THEIR ABILITY TO TAKE ADVANTAGE OF BENEFITS DERIVED FROM TRADE NEGOTIATIONS. IN CONSEQUENCE IT WILL BE NECESSARY TO ESTABLISH OBJECTIVES AND ADOPT MEASURES IN OTHER FORUMS AND IN A PARALLEL MANNER WITH RESPECT TO FINANCE, ACCESS TO COMMERCIAL TECHNOLOGY, AND INDUSTRIAL DEVELOPMENT, WHICH WILL PERMIT FULL UTILIZATION OF ADDITIONAL BENEFITS OBTAINED IN THE TRADE AREA.

3. ON FREIGHT CONFERENCE CODE OF CONDUCT, PRESS REPORTS STATED THAT CECLA COUNTRIES DECIDED THAT MAINTAINING UNITY WITH GROUP OF 77 WAS BEST WAY TO MAINTAIN LEVERAGE WITH DEVELOPED COUNTRIES. MAINTENANCE OF 40 PERCENT CARGO SHARE WAS REPORTED TO BE INDIS-
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PENSIBLE ITEM FOR LATIN AMERICAN INTERESTS.

4. COUNTRIES PARTICIPATING IN CECLA MEETING WERE ARGENTINA, BOLIVIA, BRAZIL, CHILE, PERU, MEXICO, URUGUAY, ECUADOR, VENEZUELA, COLOMBIA, EL SALVADOR, GUATEMALA, HONDURAS, AND THE DOMINICAN REPUBLIC. IN LIGHT OF VENEZUELAN OPPOSITION, MEETING AVOIDED QUESTION OF SEATING GUYANA. ON THE BASIS OF PARLIAMEN-
TARY POINT THAT DECISION REQUIRED CONSENSUS AT MINISTERIAL

LEVEL, BRAZL UNDERTOOK TO CONSULT WITH MEMBER STATES OVER
NEXT TWO MONTHS ON QUESTION OF ADMITTING GUYANA.
CRIMMINS

NOTE BY OC/T: NOT PASSED ALL ARA DIPLOMATIC POSTS.

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